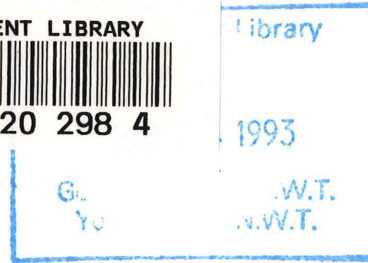




TABLED DOCUMENT NO. 112 - 12 (3) TABLED ON MAR 23 1993

March 17th, 1993.

ALL TENANTS



Staff Housing Strategy

A number of adjustments have been made to the Long Term Staff Housing Strategy since it was announced last December. Changes made in February were in response to community concerns. Final adjustments, reflected in the attached document, result from discussion of the Strategy by Members of the Legislative Assembly of the Northwest Territories.

Of particular importance is the conversion to a three-step implementation plan, a new start-up date of August 1st, 1993, a lowering of rent increases to 15% and delaying user-pay for fuel oil until 1995.

The final package, with full implementation targeted for August 1st, 1995 means employee-tenants will have the extra time they need to adjust their personal budgets before they begin paying full market rent and the costs of water/sewer services and heating fuel.

Changes have also been made to the procedures in place for tenants who have signed new leases since January 1st of this year and for new tenants moving into government-provided accommodation. In some cases, rental rebates will be provided.

Tenants who have not already signed a new lease will be receiving revised rental notices before the end of April 1993. These notices will be quite brief. They are legal in nature and conform to the format set out in the Landlord Tenants Act.

The notices will advise you of your new rent effective August 1st, 1993. Tenants who are not already paying their own utility charges still have the choice of paying electricity directly to the supplier at residential rates. Tenants who choose not to sign a new lease, will have an electrical charge included in their rent that reflects average community consumption at the higher rate per KWH which the government is obliged to pay.

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Long Term Staff Housing Strategy

A number of adjustments have been made to the Long Term Staff Housing Strategy since it was announced last December. Changes made in February were in response to community concerns. Final adjustments, reflected in this document, result from discussion of the strategy by Members of the Legislative Assembly of the Northwest Territories.

Implementation Dates:

Rent adjustments to a unit's base rent and the phasing in of user-pay for utilities will take place in a three-step process according to the following schedule:

- August 1, 1993:
 - o The lesser of 15% or an increase to full rent
 - o User-pay for electricity

- August 1, 1994
 - o The lesser of 15% or an increase to full rent
 - o User-pay for water/sewer

- August 1, 1995
 - o Increase to full market rent *based on what survey*
 - o User-pay for heating fuel

Base Rents

Rent increases will be applied to a unit's base rent. That cost does not include the square metre charges for utilities and furniture.

Application of Increases in Level 3 Communities

Increasing the base rents of tenants in Level 3 communities by only 15% will still leave them in a position of being far below the market level rate. In order to make the next two scheduled adjustments easier, their base rents will be increased an additional \$450 per month on August 1, 1993. This additional increase will be offset by providing the full \$450 per month Standard Accommodation Allowance. This is the same procedure used in Level 2 communities several years ago.

Provision of Government Accommodation

The government will be selling all staff housing units in Yellowknife, Fort Smith, Hay River and Inuvik. It will sell units to tenants in all other communities, but they may continue to rent their accommodation if they are not prepared to purchase it.

4K 3/1/93 home
new p. ad. was cited as 1050

Rental Rates

Rents for government-provided accommodation will be based on local or Yellowknife rates, whichever is lower. Yellowknife rates were chosen because they are significantly lower than the true or actual cost of providing a unit of accommodation in communities off the highway system. Rents will range from \$700 per month for a one-bedroom apartment to \$1,600 a month for a large house. Application of the Standard Accommodation Allowance reduces this range from \$250 to \$1,150 each month.

Employees Who Have Already Signed a New Lease

Tenants who have moved into a unit since January 1, 1993, have been paying full market rent. In Level 1 and 2 communities, their base rent will be adjusted to a level that is 15% higher than the rent charged for the unit on December 1, 1992, or the Yellowknife market rent - whichever is lower. In some cases, this step could result in a rental decrease and tenants will receive a rental rebate. The same procedure will be used in Level 3 communities. The only difference is that base rents will be increased an additional \$450 per month which will be offset by provision of the \$450 per month Standard Accommodation Allowance.

New Tenants

The same procedures will apply to new tenants moving into government-provided accommodation, regardless of community, except that they will sign a fixed-term lease to August 1, 1994, and will assume responsibility for their own electrical payments.

Utility charges

User pay for utilities in staff housing has been in place for many years in Yellowknife, Hay River and Fort Smith. It will be gradually phased in for tenants in all other communities. Tenants begin paying for the cost of electricity August 1, 1993. The first 700 kilowatts is subsidized to the Yellowknife rate by the Territorial Power Support Program. Tenants are scheduled to begin paying for their own water/sewer services on August 1, 1994, and their own heating fuel costs on August 1, 1995. A rate based on average community consumption will be charged to tenants where it is not possible to meter electricity, heating fuel or water/sewer services on an individual basis.

Inspection

Staff from the departments of Personnel, Government Services & Public Works and the NWT Housing Corporation are conducting energy assessments of all government units. At the same time, their condition will be inspected for structural deficiencies. Tenants will be informed of the visit so that arrangements can be made to ensure their involvement when the inspections are done. The units will also be re-measured to make sure their size is accurate. The useable space of each unit is used to determine monthly rental rates. In cases where the energy efficiency of a unit is inadequate, an assessment will be made on whether it is economical to make repairs. If it is not practical to repair the unit, the rental rates will be lowered accordingly on August 1, 1995, when tenants become responsible for payment of their own heating charges.

Health Centres

Health Centre staff in the Northwest Territories face some unique housing situations. A few of them live in nothing more than a small one-room unit above a nursing clinic and do not enjoy a reasonable level of security, privacy and comfort. Others live in newer types of apartments attached to Health Centres, but share common utilities with the clinic itself. As a result, the government has set maximum rates of rents depending on whether Health Centre staff share common facilities such as kitchens and washroom. The rents, which include utility charges, will range from \$750 to \$1,000 per month. Where staff have reasonable levels of privacy and security, they will be charged a market rate and a flat charge of \$150 per month for utilities. Health Centre employees living in detached housing will be charged market rates and pay for their own utilities. Like all other employees, nurses will begin receiving the Standard Accommodation Allowance on August 1, 1993.

Furnished accommodation

*also*¹²
Furnished staff accommodation will continue to be provided in all communities off the highway system. However, furniture will now be leased to employees at a charge of 80 cents for each square metre of accommodation. For an average three-bedroom house, the charges will be about \$80 per month. Tenants presently living in government-furnished accommodation located in communities that can be reached by highway will be able to continue leasing the furniture. They will also be given the option of purchasing it or providing their own, in which case their monthly rents will be reduced by an amount of money equal to the charge presently being paid for the use of the furniture.

Sale of Government Housing

The Government will no longer be providing housing in Yellowknife, Fort Smith, Hay River and Inuvik after April 1, 1994. Appraisals are currently underway in these four communities. Employees occupying the units will have first opportunity to purchase them. If they are not purchased, they will be offered for sale through local real estate agencies.

common w/ buy back price
In all communities, except Fort Smith, Hay River and Yellowknife, the selling price will be based on replacement cost, depreciated for age and condition. A final adjustment will result in the unit being offered to the tenant at a cost of 90% of the appraised value. This adjustment takes into account that the government will not have to pay real estate commissions or legal fees. Appraisals are being conducted by certified property appraisers, from the private sector, in cooperation with each tenant. This appraisal process is scheduled to be completed by the end of April.

Mortgage Financing

Employees living in communities where banks will not provide mortgages will be able to take advantage of the Government's Agreement for Sale Program. The program will provide financing at prevailing bank rates. The terms and conditions are the same as conventional bank mortgages.

Buy Back Plan

Employees who own their home in communities other than Fort Smith, Hay River and Yellowknife are eligible to have their investment protected by the Government's House Buy-Back Plan. This plan recognizes that home owners may not be able to sell their units because of limited market conditions when they transfer to another community or terminate employment. In those cases, the Government will buy it back from the employee.

Standard Accommodation Allowance

The Standard Accommodation Allowance of \$450 per month (\$5,400 a year) is presently paid to employees in Level 1 and 2 communities. It will now be paid to employees living in Level 3 communities, effective August 1, 1993.

The following table illustrates the effect of the Standard Accommodation Allowance on units of accommodation with base rents ranging from a low of \$700 per month to a high of \$1,600 per month.

Monthly Base Rent	Monthly Allowance	Net Rent
700.00	450.00	250.00
800.00	450.00	350.00
900.00	450.00	450.00
1,000.00	450.00	550.00
1,100.00	450.00	650.00
1,200.00	450.00	750.00
1,300.00	450.00	850.00
1,400.00	450.00	950.00
1,500.00	450.00	1,150.00
1,600.00	450.00	1,250.00

Household Allowance

The Household Allowance currently provided to employees who are private home owners will be eliminated when the Staff Housing Strategy is implemented August 1, 1993. The move to full market rents and user-pay for utilities by staff living in government-owned accommodation eliminates the need for this allowance. The allowance was established a number of years ago in an attempt to provide staff living in their own homes with similar kinds of assistance to that received by staff living in government provided accommodation. Ending the allowance will place all staff on an equal footing.

Shelter Assistance

Tenants who demonstrate wise use of energy resources and who cannot legitimately afford to pay their shelter costs will receive a rental adjustment to make sure that total costs for rent, electricity, heating fuel and water/sewer do not exceed 30% of gross household income. This assistance, in the form of a rental reduction, will be of particular importance to low-income earners and for tenants living in areas of the Northwest Territories where heating seasons are abnormally long.

Transfer of Staff Housing to the NWT Housing Corporation

Two departments of government - Personnel and Government Services and Public Works - are currently involved in providing and maintaining staff housing units in the Territories. By April 1, 1994, the NWT Housing Corporation will be responsible for the provision of all government housing programs. With the Corporation and its agencies as the landlord, those employees remaining in staff housing will deal with one agency to satisfy all their housing needs.

ACCESS to Homeownership Programs

The Housing Corporation's new ACCESS to Homeownership Programs have been designed to help all Northern residents become home owners. ACCESS programs will serve a broader range of residents who want home ownership, including employees of the Territorial government.

The Corporation's new Information and Counselling Service will provide one-stop shopping, allowing residents to apply for assistance and support and be directed to the most appropriate programs given their particular needs. The main elements of currently approved ACCESS Programs are:

For Low and Moderate Income Residents

1. **Lease to Purchase Program:** This program will allow clients who are unable to provide any labour to have the unit built for them by the Corporation. Once built, the clients will lease back the unit for a minimum of two years and then can purchase it and repay the cost, based on their family's ability to pay over an extended period.
2. **Owner-Build Program:** This program allows clients to build some or all of their own home. Clients repay the costs based on their family's ability to pay over a 15-year period. Greater flexibility is provided because clients can select the construction work they can best do themselves and their repayments will be geared to the amount of work they do. The more labour they provide the lower their monthly payments.

Under either program, payments are set so that no one will pay more than between 25 and 30% of their incomes. Clients with very low incomes will have very low payments while those with progressively higher incomes will pay more.

For Higher Income residents

The Corporation is also offering several programs for individuals or families with higher incomes who can afford the costs of home ownership but have difficulty in accessing financing, materials or design and construction expertise. These include:

1. **Interim Financing:** The Corporation will make short term loans to those who qualify for a mortgage but who require bridge financing during the construction of their homes. These loans are repayable from the proceeds of the mortgage once the home is built.
2. **Sale of House Packages:** The Corporation will sell home packages to qualified purchasers. Over the years the Corporation has designed a complete Arctic housing package which can be shipped into communities. This program is ideal for those who wish to purchase a complete housing package ready for construction in remote communities where it is difficult to develop housing plans and specifications and to order materials.

Employees wanting additional information on the new ACCESS programs should contact Housing Corporation District offices located in Iqaluit, Arviat, Cambridge Bay, Inuvik, Hay River and Yellowknife.

SHELTER ASSISTANCE / GROSS HOUSEHOLD INCOME

Tenants who cannot legitimately afford to pay their shelter costs will receive a rental adjustment to make sure that total costs for rent, electricity, heating fuel and water/sewage do not exceed 30% of Gross Household Income.

Gross Household Income (GHI) is the combined total income earned by all occupants of a government-provided housing unit.

The following forms of income for each member of the household are considered as income for the purpose of determining eligibility for shelter assistance:

- salary and self employed earnings
- wages and commissions
- rents and investment income
- part-time earnings, tips and gratuities
- alimony
- maintenance payments
- child support received from a separated or divorced spouse
- court awarded child support payments.
- unemployment insurance benefits.
- Old Age Security Pension
- Guaranteed Income Supplement
- CPP/QPP pension
- private pensions or annuities.
- employer granted housing allowances
- vacation travel assistance provided by the employer that is not used for vacation expenses by the employee.

Regular payments from:

- Worker's Compensation
- insurance plans
- legal settlements.

The following forms of income are not considered to be part of income for purposes of determining shelter assistance:

- Child tax credit payments.
- Child (Day) Care assistance payments
- Maintenance payments for foster children.
- Boarding allowances for students.
- Living out or travelling allowances for any household member.
- Lump sum payments received from insurance settlements, inheritance, disability awards, sale of effects, capital gains, legal settlements.

- Windfall gains such as lotteries or bingo.
- Gifts of cash or kind.
- Retraining allowances.
- Loans grants and bursaries for education and business.
- All income, with the exception of employees on paid educational leave, of any household member who is in full time attendance at school.
- Treaty or Land Claim payments.
- Social Assistance payments.
- Vacation travel allowances provided by an employer which are used by the employee for vacation expenses.
- Settlement allowances.

Do not include the following items in the calculation of gross household income:

- Up to \$2500 per year (\$208 a month) earned by any household member who is receiving a Canada Pension Plan or Quebec Pension Plan retirement benefit.
- The amount of alimony payments from the income of any household member who is paying alimony.

Calculation of Shelter Assistance

	Yearly	Monthly
A. GHI	50,000	4,166
B. 30% of GHI	15,000	1,250
C. Rent/Utilities	16,000	1,333

Net Shelter Cost (Lessor of B or C)	15,000	1,250
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- GHI (Gross Household Income)

REVISED STAFF HOUSING STRATEGY-E.G.3 bdr.row-house

	15/3/93	1/8/93	1/8/94	1/8/95
BASE RENT	\$809.49	\$930.91	\$1,070.55	\$1,231.13
ELECTRICAL	\$66.40	USER PAY	USER PAY	USER PAY
SEW.+WATER	\$21.58	\$21.58	USER PAY	USER PAY
HEAT FUEL	\$75.53	\$75.53	\$75.53	USER PAY
TOTAL RENT FOR FURNISHED ACCOMODATION	973.00	\$1,028.02	\$1,146.08	\$1,231.13

FORMULA FOR 3 BDR. ROW-HOUSE OF 83 SQUARE METERS

BASE RENT	-----	X15%	X15%	X15%
ELECTRICAL	\$.80/S.M.			
SEW.+WATER	\$.26/S.M.			
HEAT FUEL	\$.91/S.M.			
FURNITURE	\$.80/S.M.			
If unfurnished/ component from e.g. total rent minus furn.	-----	\$961.62	\$1,079.68	\$1,164.73

If unfurnished/ purchased furniture, subtract furniture component from total rent beginning Aug.1/1993.

